

## REMARKS

By this amendment, claims 1-3 are canceled, claim 4 and the specification are revised, and claims 5-7 are added to place this application in immediate condition for allowance. Currently, claims 4-7 are before the Examiner for consideration on their merits.

First, the rejection of claim 3 is now moot in view of its cancellation.

Second, the rejection based on 35 U.S.C. § 112, second paragraph, as it relates to rubber-base resin is overcome by the changes to claim 4. The problem with "neutralizing" and "water-based medium" in the claims is also removed by the cancellation of claim 3 and submission of new claims 6 and 7. In these claims, the step of altering the pH is now described in the context of adding water and sulfuric acid.

Third, the disclosure is revised to use "alkaline" in place of "alkali" and the objection in this regard is overcome.

Fourth, Applicants traverse the objection that the term rubber-base binder is somehow unclear. It is well known in the art to apply a rubber-based bonded magnet for a curved portion in conformity with its curvature as is explained at the bottom of page 2 of the specification. The bend is a result of the rubber-base binder used in the bonding process of the magnet. Specific examples of rubber-base binders are shown on page 6. These binders are suitable insofar as their elasticity is not degraded over the long term in the bend state. This degradation is addressed in the Example of the specification. When the bonded magnet does not receive a bending stress, the problem of cracking under strain does not normally exist. However, when the magnet is subjected to a bonding stress, cracking is accelerated by a ferrite magnetic powder that contains

certain levels of chlorine. The import of the invention is the realization of this problem and the solution of not using chlorine-included ferrite magnetic powders, regardless of the type of rubber-base binder employed as part of the bond magnet. Therefore, the specification is not unclear when describing the use of rubber-base binders in the context of the invention.

Fifth, Applicants also contend that the specification is not unclear when describing the manner in which chlorine content is reduced. The Examiner appears to confuse the breadth of the description of the invention with the specific example wherein the annealed product exhibited a particular chlorine content. The Examiner appears to suggest that the Applicants' disclosure is insufficient since other levels of chlorine are not disclosed. This stance is based on restrictive view of the teachings of the specification. As described above, the invention is the discovery that chlorine is a bad actor when making bond magnets and the inventive process is tailored to reduce the level of chlorine in the annealed powder. This method is adequately disclosed in adding water and a mineral acid such as sulfuric acid to lower the chlorine content, see paragraph [0014] of the published application corresponding to the specification. The fact that the Example selects only one chlorine content does not mean that other chlorine contents cannot be treated using the inventive method. A fair reading of the specification reveals that the chlorine content of powder to be treated should be at the stated minimum level for treatment, but that powders with more chlorine could also be treated using the inventive method and the addition of the appropriate amount of sulfuric acid. Based on this teaching, it is submitted that the disclosure is not unclear in this regard.

Sixth, in response to the comments regarding neutralizing, the specification has been amended to more properly describe this aspect of the invention. These changes do not introduce new matter since the steps of adding the water and sulfuric acid for lowering of the pH are clearly described in the Example as well as page 5, lines 1-6.

In light of the changes to the claims and specification, all of the issues regarding the sufficiency of the specification and claims are addressed and resolved.

Turning now to the prior art rejections, it is respectfully submitted that claims 4 and 5 are in condition for allowance by reason that they each contain the subject matter indicated as allowable in the Office Action. Therefore, the only issue left is whether new claims 6 and 7, which are substitutes for original claim 3, are allowable over the applied prior art. Applicants contend that each of these claims are patentable over the prior art and the traverses are set out below under the heading of the applied prior art.

#### JP 04-182318 (JP '318)

Since JP '318 was not applied against claim 3 and claims 6 and 7 embody the same processing limitations and product properties, it is submitted that claims 6 and 7 are patentable thereover. Notwithstanding the fact that claim 3 was not rejected using the reference, a review of JP '318 reveals that it does not establish a *prima facie* case of obviousness. JP '318 causes an aqueous solution of iron chloride that is by-produced in steel making as a raw material to obtain iron oxide for producing a ferrite magnetic powder. The aqueous solution contains a large amount of chlorine. To remove the chlorine, JP '318 teaches to use the excess of an alkaline earth metal compound rather

than an equimolar amount of it when the iron oxide is admixed with the alkaline earth metal compound in a wet process. This processing is followed by a drying step and a calcinating step. However, there is no disclosure of forming a bond magnet nor the use of a rubber-base binder as detailed in claims 6 and 7. In fact, JP '318 is totally unrelated to the invention and cannot form the basis of a rejection under 35 U.S.C. § 103(a).

Moreover, since claim 6 produces the powder of claim 4, which is not disclosed in JP '318, claim 6 is patentable for this reason as well.

#### JP 04-93002 (JP '002)

Since JP '002 was not applied against claim 3 and claims 6 and 7 embody the same processing limitations and product properties, it is submitted that claims 6 and 7 are patentable thereover. Notwithstanding the fact that claim 3 was not rejected using the reference, a review of JP '002 reveals that it does not establish a *prima facie* case of obviousness. JP '002 discloses a ferrite magnetic powder which is surface treated with a phosphoric acid coupling agent such that the post treatment powder has a pH of 2.0 to 6.0. The resin used to bond the powder is disclosed as a nylon 12 resin in all Examples 1-3 and Comparative Examples 1 and 2. However, there is no disclosure relating to chlorine content and the effects of the rubber-base binder, nor a method embodying the steps of claims 6 and 7. Therefore, the method of JP '002 is totally unrelated to that of claims 6 and 7 and this reference cannot support a contention of obviousness.

Moreover, since claim 7 produces the powder of claim 5, which is not disclosed in

JP '002, claim 7 is patentable for this reason as well.

SUMMARY

In light of the revisions to the claims and specification and the arguments made above, claims 4-7 are now in condition for allowance.

Accordingly, the Examiner is requested to examine this application in light of this Amendment and pass all pending claims onto issuance.

If the Examiner believes that an interview would be helpful in expediting the allowance of this application, the Examiner is requested to telephone the undersigned at 202-835-1753.

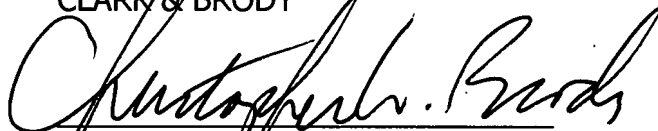
The above constitutes a complete response to all issues raised in the Office Action dated August 6, 2007.

Again, reconsideration and allowance of this application is respectfully requested.

Applicants respectfully submit that there is no fee required for this submission, however, please charge any fee deficiency or credit any overpayment to Deposit Account No. 50-1088.

Respectfully submitted,

CLARK & BRODY

A handwritten signature in black ink, appearing to read "Christopher W. Brody", written over a horizontal line.

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